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In The

Supreme Court of the United States

October Term, 1996

PREFERRED RISK MUTUAL INSURANCE COMPANY,

Petitioner,

vs.

UNITED STATES OF AMERICA,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Eighth Circuit

BRIEF FOR AMICUS CURIAE INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF PETITION

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The International Trademark Association, as *amicus curiae*, respectfully supports the petition of Preferred Risk Mutual Insurance Company for a writ of *certiorari* to review the judgment and opinion of the United States Court of Appeals for the Eighth Circuit entered June 13, 1996, in this case. Both Petitioner and Respondent have granted their consent to the filing of this brief *amicus curiae*, and those consents have been lodged with the Clerk.

INTEREST OF THE AMICUS CURIAE

The International Trademark Association ("INTA"), founded in 1878 as The United States Trademark Association ("USTA"), is a not-for-profit corporation of more than 3,200 members having an interest in trademarks. INTA's members include trademark owners, advertising agencies, and law firms from the United States and foreign countries, including some of the world's foremost corporations. These members form an important segment of the United States business community, and they and their counsel have substantial experience in trademark law.

INTA's corporate members spend millions of dollars each year in the development, registration, and protection of their trademarks in the United States. All INTA members share an interest in protecting the integrity of the American trademark system through a coherent and consistent judicial treatment of federally registered trademarks.

INTA has been instrumental in making recommendations and providing assistance to Congress in connection with The Trademark Act of 1946, as amended ("Lanham Act"), including through the active participation of USTA's Trademark Review Commission in the development and enactment of the Trademark Law Revision Act of 1988 ("TRLA"), the most significant amendment of the Lanham Act since 1946. *See* 134 Cong. Rec.

516974 (daily ed. October 20, 1988). INTA also participated in the passage of the Trademark Remedy Clarification Act of 1992 ("TRCA").

INTA urges the Court to grant certiorari on Petitioner's Question 1 because it raises an important question of federal law. The Court should take this opportunity to resolve the split between the Eighth Circuit, which has held that the Lanham Act does not apply to the federal government, and the administrative tribunal of the United States Patent and Trademark Office, which has held that the Lanham Act applies to the federal government and has so held for decades. Thus, there is a split of authority on the issue of whether the federal government may be considered a "juristic person" within the meaning of the Lanham Act (15 U.S.C. § 1127). The answer to this important question will determine whether the federal government must respect trademark owners' rights, just like all other entities. It will also determine whether, under circumstances not at issue in the instant case, the federal government is entitled to benefit from the Lanham Act as a trademark owner.

INTA has a significant interest in this case because of the profound adverse effect it could have upon the ability of INTA's members to protect their trademark rights if the federal government is able to make unauthorized and infringing uses. In particular, the substantial investments trademark owners make in developing goodwill and recognition for their marks needs to be protected against unfettered intrusions by the federal government. Furthermore, consumers rely heavily on marks which they have come to associate with a particular product or service emanating from a single source and they need to be protected from confusion which would result if they were no longer able to feel assured that the quality they associate with a particular trademark emanates from or is controlled by a single source.

SUMMARY OF ARGUMENT

The Eighth Circuit has effectively eviscerated the Administrative Procedures Act ("A.P.A.") and rewritten the Lanham Act to preclude injunctive relief against the federal government for acts of trademark infringement, in holding that the Lanham Act does not apply to the federal government or provide potential plaintiffs with a cause of action for injunctive relief against the federal government.

Congress has waived sovereign immunity for the federal government and its agencies in suits for injunctive relief when the underlying statute which gives rise to the action has been violated. This waiver is clear both from the plain and unambiguous language of the 1976 amendment to § 702 of the A.P.A., and the case law interpreting the amendment. The waiver of sovereign immunity embodied in that statute was intended to be very broad, and it applies to all actions not involving money damages. Since Petitioner's claim is not for money damages, sovereign immunity has been waived, in this case, provided that the federal government is liable for infringement under the relevant statute — the Lanham Act.[1]

The Court of Appeals held, however, that the Lanham Act does not apply to the federal government and its agencies because they are not "juristic persons" within the meaning of the Lanham Act. In so holding, the Eighth Circuit has made a pronouncement which will have sweeping adverse consequences on all trademark owners, including the federal government itself. If the Eighth Circuit's holding is allowed to stand, federal agencies will be free to adopt and use — and infringe — any trademarks with impunity. Moreover, without reversal of the

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1. The Eighth Circuit did not decide and INTA takes no position on whether the federal government infringed Petitioner's Preferred Risk® service mark.

Eighth Circuit's holding that the federal government is not a "juristic person" within the meaning of the Lanham Act, it necessarily follows that the federal government is not entitled to the significant benefits the Lanham Act grants to trademark owners, benefits the federal government has enjoyed for decades.

This means that the federal government should not be able to federally register its marks in the future, and that all of its existing federal registrations should be considered void ab initio. An additional consequence of the Eighth Circuit's holding is that the federal government would be unable to oppose pending applications or cancel existing registrations for marks which are confusingly similar to marks owned by the federal government.

The adverse consequences of the Eighth Circuit's holding aside, the ruling is simply wrong. The Lanham Act applies to "juristic persons," defined as organizations "capable of suing and being sued in a court of law." This broad definition clearly includes the federal government and its various agencies. The plain language of the statute, as well as the legislative history of the Lanham Act and the Trademark Remedy Clarification Act, makes it clear that Congress intended that the federal government be subject to the provisions of the Lanham Act and, thus, required to respect the federal trademark rights of others. Furthermore, the purposes of the Lanham Act do not provide any reason for distinguishing between the federal government and any other infringer. As a "juristic person," and due to the waiver of sovereign immunity in claims for injunctive relief provided by the A.P.A., the federal government should be subject to injunctive relief under the Lanham Act when it infringes the trademark rights of another.

Congress' decision not to provide an express waiver of sovereign immunity in the Lanham Act for actions seeking money damages against the federal government does not render

the Act inapplicable for purposes of enjoining the federal government from engaging in acts of trademark infringement.

ARGUMENT

I.

THE A.P.A. PROVIDES A WAIVER OF SOVEREIGN IMMUNITY WHENEVER INJUNCTIVE RELIEF IS SOUGHT.

Section 702 of the A.P.A. reads in pertinent part:

> An action in a court of the United States *seeking relief other than money damages* and stating a claim that an agency or an officer or employee thereof acted or failed to act in an official capacity or under color of legal authority *shall not be dismissed nor relief therein be denied on the ground that it is against the United States* or that the United States is an indispensable party . . .

5 U.S.C. § 702 (emphasis added). The plain language of the waiver of sovereign immunity under the A.P.A. could not be clearer and, as a result, has been construed quite broadly when only injunctive relief is sought. *Bowen v. Massachusetts*, 487 U.S. 879, 904 (1988). The Court of Appeals for the District of Columbia has gone so far as to say that "the '76 Amendment to [A.P.A. § 702] . . . eliminated the defense of sovereign immunity in cases against the United States in which Plaintiffs do not seek money damages." *Houston v. Department of Housing and Urban Development*, 24 F.3d 1421, 1427 (D.C. Cir. 1994). Nevertheless, the Eighth Circuit held that Petitioner's action, which sought relief other than money damages, and which stated a claim that an

agency acted or failed to act in an official capacity or under color of legal authority, *should* be dismissed and relief therein *should* be denied on the ground that it is against the United States.

II.

THE LANHAM ACT APPLIES TO THE FEDERAL GOVERNMENT.

The Eighth Circuit erroneously held that the Lanham Act does not apply to the federal government. *Preferred Risk Mutual Insurance Co. v. United States,* 86 F.3d 789, 795 (8th Cir. 1996). The holding of the Court of Appeals is inconsistent with both the plain meaning of the Act's express definitions for the terms "person" and "juristic person," and with legislative history confirming Congress' intent that the Lanham Act apply to the states as well as the federal government. The holding is also flatly inconsistent with the underlying policy of providing trademark owners with a cause of action to prevent confusion and deception in the marketplace.

A. The Eighth Circuit Incorrectly Interpreted The Meaning Of The Word "Juristic Person" Under The Lanham Act.

Section 45 of the Lanham Act defines those governed by the Lanham Act as being a "person," a "natural person," or a "juristic person." A juristic person "includes a firm, corporation, union, association, or other organization capable of suing and being sued in a court of law." 15 U.S.C. § 1127. The term "juristic person" has specifically been held to include the federal government. *United States v. Cooper Corporation et al.,* 312 U.S. 600, 604 (1941); *United States v. Merchants Mutual Bonding Company,* 220 F. Supp. 163, 181 (N.D. Iowa 1963). The plain language of the statute is controlling unless a contrary

legislative intent emerges from the legislative history. *Jefferson County Pharmaceutical Ass'n, Inc. v. Abbott Laboratories,* 460 U.S. 150, 157 (1982). As discussed below, the legislative history supports Petitioner's interpretation of the term "juristic person."

To qualify as a juristic person, the federal government must be an organization "capable of suing and being sued." 15 U.S.C. § 1127. "Capable" means "[h]aving capacity or ability. . . ." The American Heritage Dictionary of the English Language 283 (3d ed. 1992). An "organization" is "[a] group of persons organized for a particular purpose. . . ." *Id.* at 1275. The dictionary definition of the term "government" expressly includes an "organization": "Management or administration of an *organization*. . . ." *Id.* at 784 (emphasis added).

Accordingly, the federal government is an organization that has the "ability" to sue and be sued, as evidenced by actions brought by the federal government as "juristic persons" under the Lanham Act, *see, e.g., U.S. Navy v. U.S. Manufacturing Co.,* 2 U.S.P.Q. 2d 1254, 1257 (TTAB 1987); *NASA v. Record Chemical Co. Inc.,* 185 U.S.P.Q. 563, 566 (TTAB 1975), and by the actions in which the federal government did not contest its ability to be sued under the Lanham Act. *See Olympus Corp. v. United States,* 792 F.2d 315 (2d Cir. 1986), *cert. denied,* 486 U.S. 1042 (1988); *Coalition to Preserve Integrity of American Trademarks v. United States,* 598 F. Supp. 844 (D.D.C. 1984), *rev'd on other grounds,* 790 F.2d 903 (D.C. Cir. 1986), *judgment affirmed in part, reversed in part, K Mart Corp. v. Cartier, Inc.,* 486 U.S. 281 (1988); *Vivitar Corp. v. United States,* 761 F.2d 1552 (Fed. Cir. 1985), *cert. denied,* 474 U.S. 1055 (1986). In these cases, trademark owners sued the United States under the Lanham Act in various attempts to change existing trade regulations. Although the plaintiffs in those cases did not prevail on their Lanham Act claims, their claims were heard on the merits.

The Eighth Circuit held, however, that the federal government is not a "juristic person" because it is not specifically named in the definition of "juristic person" in the Lanham Act. *Preferred Risk,* 86 F.3d at 794. But the Eighth Circuit's rigid requirement is inappropriate because a particular type of entity does not need to be specifically named to satisfy the Lanham Act's definition of "juristic person." *See, e.g., Country Floors Inc. v. Partnership of Gepner & Ford,* 930 F.2d 1056, 18 U.S.P.Q. 2d 1577 (3d Cir. 1991) (holding partnership liable for violations of Lanham Act even though a "partnership" is not one of the organizations listed in the definition of "juristic person").

The plain language of the Act's "juristic person" definition shows that an agency of the federal government is, in fact, a "person" for all purposes of the Act. A close examination of the definitional section of the Act bolsters this interpretation. The Lanham Act defines "trademark" as:

> . . . any word, name, symbol, or device, or any combination thereof —
>
> (1) used by a *person,* or
>
> (2) which a *person* has a bona fide intention to use in commerce and applies to register on the principal register established by this Act.

15 U.S.C. § 1127. Under the plain language of the Act, then, only persons (defined to include "juristic persons") can use and register trademarks. It is unquestioned that the federal government both uses and registers trademarks.[2] Were this Court

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2. *See, e.g., In re United States Department of the Interior,* 142 U.S.P.Q. 506-07 (TTAB 1964) (listing some specific examples of federal registrations issued to an agency of the federal government, namely, the Department of the Army).

to accept the Eighth Circuit's strained interpretation of the Lanham Act, the effect would be that no federal registrations could be obtained by the federal government, and all federal registrations already owned by the federal government and its various agencies would, presumably, be invalid.

Respondent tried to overcome these negative consequences by arguing below that the United States is a "person" for the purpose of receiving the benefits of the Act, but not a "person" to be subjected to the constraints of the Act. The Eighth Circuit agreed, although it did acknowledge that there were Trademark Trial and Appeal Board ("TTAB") cases in which federal governmental entities were held to constitute juristic persons for the purposes of registering a trademark or opposing the federal registration of others' trademarks. The Court of Appeals then attempted to distinguish those cases from the instant case on the ground that the TTAB cases allowed the government only to benefit from the Lanham Act — they did not subject the federal government to liability thereunder.[3]

As the Supreme Court held in *Cooper,* 312 U.S. at 607, the same word (in this case "juristic person") will not be construed to have different meanings within the same piece of legislation. The Court of Appeals decision, however, effectively approves of just such a contradictory reading. Indeed, the Court of Appeals even admitted "it must be conceded that this practice raises the potential problem of inconsistent interpretations of the word '[juristic] person' within the Lanham Act." *Preferred Risk,* 86 F.3d at 795. The result of such a reading, allowing the government to protect its rights under a law which it can hide

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3. Respondent went so far as to say that "if [the Eighth Circuit] were to find that these administrative decisions are not distinguishable, then they must be rejected. . . . If that fact means that the federal government also may not benefit from the statute, it must accept that consequence or seek a legislative solution." Reply Brief for Appellant at 15.

behind when others seek to assert similar rights against it, is both incorrect and unnecessary.

The Eighth Circuit did not believe that the potential for infringement of trademarks by the federal government would be a real problem, stating that "[t]here is little evidence that such concerns are reasonably founded." *Preferred Risk,* 86 F.3d at 795. In the case at bar, the Petitioner has a federal service mark registration for Preferred Risk® in connection with insurance services, a mark it has used since 1947. The federal government is offering insurance under the mark "Preferred Risk," and has repeatedly dismissed requests to cease this use. Even if the Court were to assume that no infringement occurred in the present case, the Eighth Circuit's reluctance to believe that federal agencies are capable of infringing federally registered marks does not warrant its admittedly contradictory reading of the Lanham Act.

According to the Court of Appeals, the most important factor in its determination that the federal government is not a "juristic person," and therefore that the Lanham Act does not apply to the federal government, is that to so hold "would create a right of action against the United States under the terms of the [Lanham] Act. Providing such a right of action against the United States requires an express and unequivocal waiver of its sovereign immunity." *Id.* at 795 (citing *United States v. Nordic Village, Inc.*, 503 U.S. 30 (1992) (in a case involving claims for monetary relief). The Court of Appeals had earlier stated, however, that "although the plaintiff need not demonstrate that the substantive statute independently waives federal sovereign immunity, which is the function of section 702 [of the A.P.A.], the plaintiff must identify a substantive statute or regulation that the agency action had transgressed and establish that the statute or regulation applies to the United States." These contradictory portions of the ruling can only be reconciled by

acknowledging that if the Lanham Act (and other statutes) contained an express waiver of sovereign immunity where judicial review was desired, there would be no need for Section 702 of the A.P.A. The entire purpose of Section 702 of the A.P.A. is to waive sovereign immunity for nonmonetary relief where the relevant statute does *not* contain an express waiver.

Including the federal government in the Lanham Act's definition of a "juristic person" will not subject the federal government to monetary claims, as Respondent and the Eighth Circuit fear. This is due to the very reasons relied upon by the Court of Appeals in denying Petitioner any injunctive relief under the Lanham Act. That is to say, applicability of a statute and immunity from certain types of relief thereunder are separate and distinct issues. Holding that the Lanham Act *applies* to the federal government does not preclude a holding that the federal government is *immune* to suits for monetary damages under that Act. The federal government is immune from suit absent an express waiver. Section 702 of the A.P.A. *is* that express waiver where claims other than for money damages are involved. There is not presently, however, an analogous express waiver for money damages, in the Lanham Act. Accordingly the federal government may still be immune to such suits, despite its being a "juristic person," and despite the fact that it may be enjoined for trademark infringement under the Lanham Act.

B. The Eighth Circuit Ignored The Critical Legislative History Of The Trademark Remedy Clarification Act Which Further Demonstrates Congress' Intent To Have The Lanham Act Apply To The Federal Government.

There are other compelling reasons for including the federal government within the Lanham Act's definition of "person." The Supreme Court held in *Wilson v. Omaha Indian Tribe*, 442 U.S. 653, 667 (1979), that "person" can include the sovereign.

Quoting *United States v. Cooper,* the Court said that "[t]here is . . . 'no hard and fast rule of exclusion,' " and that "much depends on the context, the subject matter, *legislative history*, and executive interpretation." 442 U.S. at 667 (emphasis added).

The most relevant legislative history to assist the Eighth Circuit in determining whether Congress intended to have the Lanham Act apply to agencies of the federal government was ignored by the Court of Appeals. That history is found in the Trademark Remedy Clarification Act of 1992, Pub. L. No. 102-542 § 3(d), 106 Stat. 3567, which made it clear that states were not immune from suit under the Lanham Act. The legislative history unambiguously states that "the Patent Code and the Trademark Act must be applied uniformly . . . *there is no distinction between the Federal Government and a State government,* especially to the patent or trademark holder who must sacrifice the results of his/her investments at the hands of an immune governmental body. This legislation [TRCA] will rectify the situation and provide uniform protection throughout the patent and trademark systems." 1992 U.S.C.C.A.N. 3095 (emphasis added).

Given this clear history, there can be no doubt that Congress intended the States and the federal government to be treated similarly. Since Congress believed that it was "provid[ing] uniform protection throughout the patent and trademark system" by explicitly subjecting state governments to potential liability, *a fortiori* the federal government is also subject to potential liability under the Lanham Act. If the intent of Congress was to make or keep the federal government immune from suits under the Lanham Act, it would not have sought the uniformity reflected by the passage of TRCA, and would require a distinction between the federal and state governments in the Lanham Act, a proposition expressly contrary to Congress' stated intention.

Thus, the 1992 Amendment was passed simply to bring trademark protection into conformity with the patent and copyright laws. Just as Congress had previously used its powers under the Patent and Copyright Clause, in 1992 it used its authority under the Commerce Clause and the Fourteenth Amendment, to abrogate state immunity for trademark infringement.

The Eighth Circuit held that Congress' failure to include an express waiver for the federal government as it did for states shows that the federal government was meant to be immune, citing *Department of Energy v. Ohio,* 503 U.S. 607, 617-18 (1992), where the Supreme Court held that "omission [of the federal government] has to be seen as a pointed one when so many other governmental agencies are specified." *Preferred Risk,* 86 F.3d at 794. But that case is inapposite; the Lanham Act does not list some agencies and exclude others within the definition of a "person" or "juristic person." Here Congress reasonably believed it was clear that the federal government was subject to suit under the Lanham Act and did not specifically include the federal government in the 1992 Clarification Act because there was no need for clarification on that point.

C. The Eighth Circuit's Interpretation Of The Word "Juristic Person" Is Contrary To An Important Purpose Of The Lanham Act.

One important purpose of the Lanham Act is to prevent any likelihood of confusion regarding the source of goods and services. *See, e.g.,* 15 U.S.C. §§ 1114(1), 1125(a)(1)(A) (proscribing actions that are "likely to cause confusion"). Distinguishing between private and public entities does not serve this end. Indeed, doing so subverts that important purpose. If likely consumer confusion results from an unauthorized use, the source of that unauthorized use is irrelevant. Yet the result dictated by the Eighth Circuit leaves consumers open to confusion, and leaves Petitioner with no remedy should

Respondent choose to continue using Petitioner's presumptively valid, federally registered service mark. Unless reversed, the holding of the Eighth Circuit will prevent all trademark owners from protecting their valuable trademark properties against unauthorized uses by the federal government.

CONCLUSION

For the foregoing reasons, *certiorari* should be granted to review the decision of the Eighth Circuit in the instant case.

Respectfully submitted,

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